Foreign Military Sales

Defense Reutilization and Marketing Service

DRMS Mission

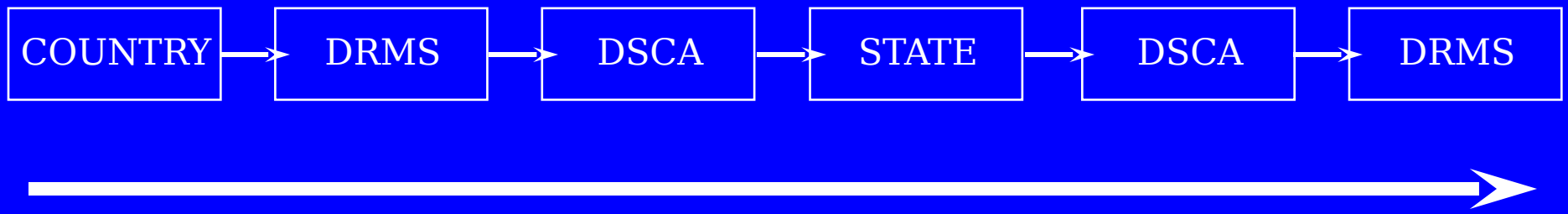
- Receive Excess Property from Mil. Svcs.
- Reutilization, Transfer and Donation
  - Incl. Foreign Military Sales
- Commercial Sales
- Related Responsibilities
  - Demilitarization
  - Trade Security Controls
  - Environmental Services

Property Disposal Cycle

- Day 1 - 21: Property is reserved for DoD Reutilization (incl. FMS) and Transfer customers (other Federal Agencies)
- Day 22 - 42: Property is also available to Donation customers (states etc.)
- After Day 42: Property is put on sale to the public

FMS PROCESS

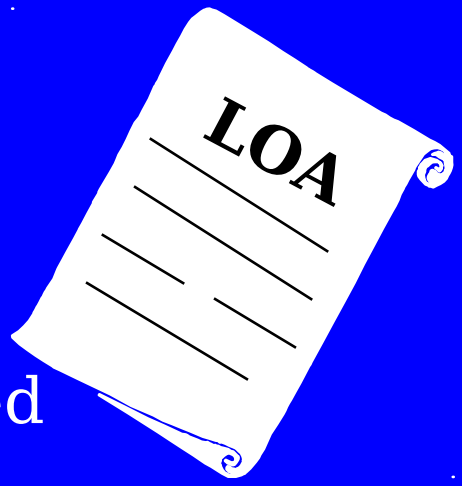
LETTER OF REQUEST (LOR) AND LETTER OF OFFER & ACCEPTANCE (LOA)



UP TO 9 MONTHS

TWO TYPES OF LOA

- BLANKET ORDER
  - Country requests items via web
  - DRMO fills / rejects request
  - DRMO ships
  - DRMS bills when item is shipped
- DEFINED ORDER
  - DRMS requisitions item
  - DRMO fills and ships
  - DRMS bills when item is shipped



The Case

- LOA is designed to meet the country's needs
- Type of equipment is assessed and buying is made as simple as possible
- Payment in US dollars (checks, wire transfers payable to US Treasury)
- Payment to DFAS Denver, indicating DRMS case

DRMS will help find property

- Country may submit a wish list of property it wants
- DRMS electronically produces a list of property that matches this list and sends to country as often as they like

Pricing

- Grant countries pay only Package, Crating, and Handling charges and are responsible for the transportation through a freight forwarder
- The PC&H charge is 3.5% of fair market value.
- Sales countries pay the fair market value of the item plus PC&H

FMS Fair Market Value

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FEDERAL CONDITION CODE	REIMBURSABLE PERCENT OF ACQUISITION COST
A1	50
A4	40
A2, A5, B1, C1, D1, B4, C4, D4	30
B2, C2, D2, B5, C5, D5, D7, E7, F7, G7	20
A3, B3, C3, D3, A6, B6, C6, D6, H7	10
D8, E8, F8, G8, H8, D9, E9, F9, G9, H9, FX, GX, HX	5

*DEMIL ITEMS ARE NEGOTIABLE

Transportation

- Each Country must have a designated Freight Forwarder
- That information is sent into DAAS
- The information is published in a MAPAD
- DRMS property is shipped at country’s expense

Special Services

- Internet Search
- Pictures on Web
  - Requests possible
- On-line Orders
- Wish List
- Recycling Control Point
- Search by Weapon System
- Multi-item search
- Monthly Invoice

Recycling Control Point

- Moves information not Property
- Property managed by the depot
- Property is issued as it would be to US services
- Property cannot be physically screened